



# Michigan *Office of the Auditor General* REPORT SUMMARY

## *Performance Audit*

## *Office of Postsecondary Services*

## *Michigan Department of Career Development*

Report Number:  
45-142-02

Released:  
May 2003

*The Office of Postsecondary Services (OPS) is responsible for promoting access to, retention in, and completion of individual student goals in quality, comprehensive postsecondary services. OPS administers a number of programs, including the King-Chavez-Parks (KCP) Initiative, the Proprietary School Unit (PSU), and the Community College Services Unit (CCSU).*

### ***Audit Objectives:***

1. To assess OPS's effectiveness in administering the Future Faculty Fellowship Program (FFFP) and the Select Student Support Services (4-S) Program within the KCP Initiative.
2. To assess OPS's effectiveness in administering PSU.
3. To assess OPS's effectiveness in administering CCSU.

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### ***Audit Conclusions:***

1. OPS was somewhat effective in administering both FFFP and the 4-S Program.
2. OPS was not effective in administering PSU.
3. OPS was generally effective in administering CCSU.

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### ***Material Conditions:***

The KCP Initiative should establish a more effective FFFP loan collection process (Finding 1).

The KCP Initiative should schedule and conduct regular on-site monitoring visits for the 4-S Program and review 4-S Program final reports (Finding 5).

PSU needs to improve the effectiveness of its process to identify unlicensed proprietary schools and take appropriate enforcement action (Finding 7).

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### ***Other Conditions:***

The KCP Initiative should ensure that universities establish an FFFP applicant ranking methodology and/or document their ranking of applicants (Finding 2).

The KCP Initiative did not add applicable interest and collection fees to defaulted FFFP fellowship loan accounts transferred to the Department of Treasury for collection (Finding 3).

The KCP Initiative did not conduct administrative hearings or otherwise take appropriate resolution action for FFFP fellows who request a hearing to appeal default judgments (Finding 4).

The KCP Initiative should provide more effective oversight for unused 4-S Program funds. Also, the Michigan Department of Career Development (MDCD) needs to provide 4-S Program approval notification and grant funding to grantees on a timely basis. (Finding 6)

PSU should establish a more effective proprietary school inspection process (Finding 8).

PSU should improve its oversight of proprietary school closures (Finding 9).

PSU did not ensure that proprietary schools comply with administrative rule operating

requirements regarding the competency of proprietary school personnel and advertising practices (Finding 10).

PSU did not employ sufficient staff, in accordance with statute, to effectively perform its administrative responsibilities (Finding 11).

CCSU should improve its administration of the federal Carl D. Perkins Vocational and Technical Education Act of 1998 Program (Finding 12).

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***Agency Responses:***

Our audit report includes 12 findings and 13 corresponding recommendations. MDCCD's preliminary response stated that it agrees with 10 findings and disagrees with 2 findings.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: [www.state.mi.us/audgen/](http://www.state.mi.us/audgen/)



Michigan Office of the Auditor General  
201 N. Washington Square  
Lansing, Michigan 48913

**Thomas H. McTavish, C.P.A.**  
Auditor General

**James S. Neubecker, C.P.A., C.I.A., D.P.A.**  
Executive Deputy Auditor General

**Scott M. Strong, C.P.A., C.I.A.**  
Director of Audit Operations